

Appendix 4D

Half-yearly report

Emyria Limited

ABN 96 625 085 734

1. Company details

Name of entity:	Emyria Limited
ABN:	96 625 085 734
Reporting period:	For the half-year ended 31 December 2023
Previous period:	For the half-year ended 31 December 2022

2. Results for announcement to the market

	31 Dec 2023	31 Dec 2022	Change	% change
Revenues from ordinary activities	1,089,604	732,148	up	49%
Loss from continuing operations after tax attributable to the owners of Emyria Limited	(10,793,779)	(3,972,269)	up	(172%)
Loss for the half-year attributable to the owners of Emyria Limited	(10,793,779)	(3,972,269)	up	(172%)

3. Net tangible assets per security

	31 Dec 2023 Cents	31 Dec 2022 Cents
Net tangible (liability)/asset per ordinary security	<u>(0.37)</u>	<u>0.37</u>

4. Dividends

No dividends were paid during the current or previous financial years and no dividends have been declared subsequent to the financial year end and up to the date of this report.

5. Dividend reinvestment plans

There are no dividend or distribution reinvestment plans in operation.

6. Foreign entities

Not applicable.

7. Gain or loss of control over entities

Emyria Ltd acquired Mind Body Consulting Pty Ltd, trading as Pax Centre, effective 1 July 2023.
There were no entities over which control was lost during the half-year ended 31 December 2023.

8. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

9. Attachments

Details of attachments (if any):

The Interim Report of Emyria Limited for the half-year ended 31 December 2023 is attached.

10. Signed



Michael Winlo
Managing Director
Perth

Date: 28 February 2024



HALF YEAR END FINANCIAL REPORT

Emyria Ltd ABN 96 625 085 734

31 December 2023



CORPORATE DIRECTORY

Directors

Greg Hutchinson	<i>Non-Executive Chairman</i>
Dr Michael Winlo	<i>Managing Director</i>
Dr Karen Smith	<i>Non-Executive Director</i>
Dr Mohit Kaushal	<i>Non-Executive Director</i>
Professor Sir John Tooke	<i>Non-Executive Director</i>

Company Secretary

Susan Park

Principal and Registered Office

D2, 661 Newcastle St
Leederville, Western Australia 6007
Telephone: 1300 436 363
Website: emyria.com

Auditor

Stantons
Level 2, 40 Kings Park Road
West Perth, Western Australia 6005

Share Registry

Automic Pty Ltd
Level 5, 191 St Georges Terrace
Perth, Western Australia 6000

Securities Exchange Listing

Emyria Limited shares are listed on the Australian Securities Exchange

ASX Code

EMD - ordinary shares

The Directors of Emyria Limited present their report on Emyria Limited ("Company" or "Emyria") and the entities it controlled ("Consolidated Entity" or "Group") at the end of, or during, the half year ended 31 December 2023.

Directors

The names and details of the Directors in office during the half year ended 31 December 2023 and until the date of this financial report are as follows. The Directors were in office for the entire period unless otherwise stated.

Greg Hutchinson	(appointed 21 November 2023)
Dr Michael Winlo	
Dr Karen Smith	(non-executive director from 13 November 2023)
Professor Sir John Tooke	
Dr Mohit Kaushal	(appointed 21 August 2023)
Dr Stewart Washer	(resigned 21 November 2023)
Mr Matthew Callahan	(resigned 21 August 2023)
Dr Alistair Vickery	(resigned 13 November 2023)

Principal Activities

The principal activity of the Group is delivering and developing new treatments for mental health and selected neurological conditions. The Group's activities are informed by Real-World Data collected with patients across its wholly-owned, clinical service subsidiaries.

REVIEW OF OPERATIONS

Operating Result

The loss from continuing operations for the half year ended 31 December 2023 after providing for income tax amounted to \$10,793,779 (2022: \$3,972,269) after an intangible asset impairment of \$6,935,740.

Emyria recognises the Research & Development Tax Refund of \$2,527,316 for the prior year upon receipt in accordance with its accounting policy. The was received in January 2024.

Key Highlights:

- **Acquired Pax Centre ("Pax")** (Mind Body Consulting Pty Ltd) enhancing clinical service offerings and mental health care capabilities for a total of \$1.7m — \$0.4m in cash and \$1.3 million in shares. Goodwill recognised in the accounts is \$1.56m.
- **Grew gross clinical billings for the period to over \$2m** (Emerald \$749k + Pax \$1,255k). Net billings were \$1,089k (Emerald \$749k + Pax \$340k). Compared to \$640k previous period.
- **Secured ethics endorsements** for Emyria's MDMA-Assisted Therapy model and related Authorised Prescriber approval applications (since obtained).

- **Commenced dosing in MDMA-assisted therapy trial**, supported by successful importation of required drug supply from Canada.
- **Implemented Board** changes to support the strategic direction of our mental health innovation agenda and in line with our therapeutic and research goals.
- **Received favourable review of our MDMA analogue intellectual property claims** from international examiner, expediting our future National Phase applications.
- **Achieved a critical milestone in the NIH's fully funded Preclinical Screening Program for Pain with our high-dose CBD capsules (RX7/9)**, showcasing their therapeutic potential. Program now advanced to Tier 2 screening.
- **Recognised an impairment** of \$6.9 million for RX5 while program on hold.
- **Cash position** of \$1.97 million, with a significant R&D tax refund of \$2.53 million received in January 2024.

EMYRIA'S STRATEGIC FOCUS FOR THE PERIOD

Following the TGA rescheduling of MDMA and psilocybin on July 1st, the Company moved to accelerate the Company's programs in psychedelic-assisted therapies, particularly the Company's lead MDMA-Assisted Therapy for PTSD program.

Consequently, the Company prioritised initiatives aligned with our vision to become a global leader in the delivery and development of new treatments for mental health and select neurological conditions.

The Company is committed to leveraging its unique suite of capabilities in direct patient care, Real-World Data, research and innovation to build a remarkable business for significant positive patient impact, long-term growth and future value creation.

EMYRIA HEALTHCARE

Acquired Leading Psychiatrist-led, Multidisciplinary Practice - The Pax Centre:

Acquired a leading psychological trauma treatment centre and significantly expanded our clinical service offerings to patients and clinical infrastructure while also diversifying our clinician base and revenues. Through the acquisition, the Company strengthened its capabilities to deliver scalable mental health services – such as MDMA-assisted therapy for PTSD, conduct research and generate data and intellectual property to support the Company's innovation programs. The acquisition also directly supports the Company's future expansion plans into adjacent treatments and services.

Significant Regulatory Milestones Achieved:

Successfully navigated the regulatory landscape post-TGA rescheduling of MDMA, achieving ethics committee endorsements for:

- Emyria's unique MDMA-Assisted Therapy for PTSD care model
- Authorised Prescriber status for our leading psychiatrists (*Obtained in Jan 2024*)

In addition, the Company secured, and successfully imported, a sufficient quantity of drug supply for our trials and other programs.

These achievements support the Company establish new clinical service lines.

Dosing Commenced in Emyria's MDMA-Assisted Therapy Trial:

Initiated our MDMA-assisted therapy trial - believed to be a world first for a private, community-based clinic. Emyria's trial is helping prepare our clinical teams for our Authorised Prescriber program which marks a significant milestone in integrating psychedelic-assisted therapies into mainstream healthcare under the stringent framework established by the TGA.

Strategic Board Enhancement

Welcomed Greg Hutchinson as Independent Non-Executive Chairman and Dr. Mohit Kaushal as Non-Executive Director to directly improve the Company's strategic oversight and innovation capabilities in clinical service innovation, delivery and scalability.

Mr. Hutchinson brings a wealth of knowledge from his tenure at Sonic HealthPlus and Sonic Clinical Services, highlighting significant expertise in scaling frontline health services and research programs.

Dr. Kaushal offers a deep background in clinical transformation and digital health, with key affiliations to high-profile healthcare acquisitions like Oak Street Health.

Dr. Stewart Washer, Dr. Alistair Vickery and Mr Matthew Callahan all resigned as directors during the period.

Future Goals

With all key approvals in place, fit-for-purpose facilities, drug supply and a collaborative, trained clinical team, the Company is focussed on demonstrating the commercial viability and clinical impact of its unique approach to mental health care. As part of this mission, the Company's first priority is to evaluate the potential of its unique MDMA-Assisted Therapy Model for the treatment of PTSD - a condition affecting over 1M Australians. The Company then anticipates scaling the successful delivery model nationally, then globally through a combination of partnerships and organic growth.

Meanwhile, the Company recognises the privileged position it is in to learn from the experience of every patient under its care and will continue to collect robust and ethically-sourced clinical data to guide and inform a comprehensive innovation and intellectual property strategy encompassing clinical delivery and proprietary drug development.

EMYRIA'S INNOVATION PIPELINE

Emyria integrates drug-assisted therapy delivery with the development of our own proprietary drugs. The Company is currently prioritising drug development projects with robust intellectual property potential and third-party funding support.

Secured Positive Patentability Report for MDMA Analogue Program & Awarded Grant for Metabolic Studies:

Our MDMA analogue program has achieved significant milestones, receiving a positive International Preliminary Report on Patentability (IPRP II) for its first patent family application (PCT/AU2022/051422).

The claims deemed valid by the International Examiner provide composition of matter coverage for a class of millions of MDMA analogues, and medical use coverage for an even more extensive class of MDMA analogues, as well as covering a novel route of synthesis for preparing the MDMA analogues. This achievement sets the stage for expedited National Phase application review.

Further bolstering our efforts, the Company was awarded a "Therapeutic Innovation Australia" grant to support metabolic studies aimed at identifying shorter-acting, MDMA-like drugs. This drug development series offer the potential of shorter treatment sessions which may allow clinical services to offer the treatment to more patients if proven safe and effective. The grant award is also recognition of the potential impact of our research on mental health and neurodegenerative diseases and enhances our capacity to conduct essential research via non-dilutive funding.

Fully Funded Progression to "Tier 2" for Prescription-Strength CBD Program

EMD-RX7 and EMD-RX9 (Emyria's proprietary, high potency, high bioavailability Ultra-Pure CBD capsules) have successfully moved to Tier 2 of the NIH's Preclinical Screening Program for Pain (PSPF). Only the most promising compounds pass Tier 1's comprehensive battery of assessments. Tier 2 is also fully funded and managed by the National Institute of Health in the USA and will evaluate RX7 and RX9 in a series of gold-standard disease models. Results are expected in the second half of 2024 and the Company owns all data from these programs which we believe will assist our drug registration and commercialisation goals for this program.

Over-the-Counter CBD Program (EMD-RX5) Halted

The development of our over-the-counter CBD product, EMD-RX5, is currently on hold due to a manufacturing complication identified in one of the production batches. This issue, isolated to the variation in dissolution rates between batches, necessitates substantial investment to rectify. Given the Company's current financial priorities, and the promising prospects of our drug-assisted therapy programs, the Board has decided to take a conservative financial approach and has fully impaired the EMD-RX5 program (\$6,935,740) on our balance sheet at this point in time.

This action underscores our commitment to prudent financial management and strategic project prioritisation.

Emyria's Drug Development Pipeline

PROGRAM DESCRIPTION	LEAD SERIES	DEVELOPMENT GOAL	STAGE
Novel, MDMA-inspired medicines <i>Developed with the University of Western Australia</i>			
<i>Novel library of modified MDMA molecules ('analogues') resulting in strong 'composition of matter' intellectual property.</i>	EMD-MX1	Shorter-acting MDMA, with improved side-effect profile, for drug-assisted therapies	ACTIVE: Metabolic studies to evaluate half-lives of lead drug candidates.
	EMD-MX2	Adjunct for Parkinson's disease to improve the side effects of a common treatment	ACTIVE: Release assays with NIH to identify most potent drug candidates for animal studies.
	EMD-MX3	Neurological indications	ACTIVE: Binding receptor & "off-target" screening with Eurofins.
Ultra-Pure CBD capsules <i>Highly bioavailable CBD</i>			
<i>Synthetically-derived Ultra-Pure cannabidiol in proprietary formulations to improve bioavailability.</i>	EMD-RX7/9	Prescription medicines for complex pain & anxiety	ACTIVE: FULLY FUNDED PRECLINICAL PROGRAM paid for by the NIH ³ passed Tier 1 screening and now in Tier 2.
	EMD-RX5	Pharmacy treatment for mild anxiety & stress	ON HOLD: Phase 3 clinical trials partially completed. ⁴

Significant Changes in the State of Affairs

- **03 July**, the Pax Centre Acquisition was announced to broaden Emyria's clinical service footprint and support the delivery and development of the Company's psychedelic-assisted therapy programs.
- **21 August**, Dr. Mohit Kaushal was appointed to the Board and Matthew Callahan resigned from the Board.
- **13 September**, Emyria completed the acquisition of the Pax Centre.
- **13 September**, Emyria completed its placement to raise \$2,000,000 and issued 26,666,667 shares and 13,333,333 free attaching options with an exercise price of \$0.12 each and expiring in 3 years from issue date. (On 10 November 2023, \$500,000 of the \$2,000,000 was raised and 6,666,667 of the 26,666,667 shares were issued).
- **21 September**, Emyria secured MDMA to start PTSD Trial Dosing.
- **05 October**, Completion of Entitlement Offer was announced, raising \$1,178,228 and issued 15,709,711 shares and 7,854,778 options with an exercise price of \$0.12 each and expiring in 3 years from issue date.
- **09 October**, Emyria's commenced dosing for its MDMA-assisted therapy for PTSD trial.
- **19 October**, Health Canada Approval was received to allow importation of sufficient pharmaceutical grade MDMA to support 50-70 patients.
- **30 October**, Emyria secured Ethics Endorsement for its MDMA Authorised Prescriber Application (*subsequently given in January 2024*)
- **13 November**, Dr Alistair Vickery resigned from the Board. Dr Stewart Washer and Karen Smith became non-executive directors.
- **21 November**, Greg Hutchinson was appointed as the new Independent Non-Executive Chairman and Dr Stewart Washer resigned from the Board.

After Balance Date Events

In January 2024, the Company received the Research & Development tax refund for \$2,527,316 and the Radium Capital loan, secured against the refund, was repaid in full.

In January 2024, the Company's key psychiatry specialist was granted Authorised Prescriber approval from the TGA which enables the prescribing of MDMA according to an ethics committee endorsed care model developed by Emyria.

Apart for the above, there has been no matter or circumstance that has arisen since 31 December 2023 that has significantly affected, or may significantly affect:

- the Group's operations in future financial years;
- the result of those operations in future financial years; or
- the Group's state of affairs in future financial years.

Dividends

No dividends were paid or proposed to be paid to members during the half year ended 31 December 2023 (31 December 2022: nil).

Likely Developments and Expected Results of Operation

The Group will focus on advancing its business interests which comprise:

- **Expand clinical services** by building on the momentum of integrating the Pax Centre, we aim to broaden our service offerings to address unmet medical needs, drive revenue growth and improve patient care.
- **Capturing ethically sourced, high-quality clinical data** with patients to transform the way novel therapies are understood and researched.
- **Scale care delivery programs** through organic growth and select partnerships while leveraging our clinical data to engage major Health Payers. Our goal is to enhance access to specialised mental health care and support for a broader patient base across Australia.
- **Advance drug development programs** with world-leading institutions like the University of Western Australia (UWA) and the National Institute of Health (NIH) utilising third-party funding support where possible.
- **Optimise Intellectual Property and financials:** With a favourable review of our MDMA analogue IP claims and growing revenues, we're strategically advancing our high-potential projects while maintaining financial health and shareholder value.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 25 of the interim financial report.

Signed in accordance with a resolution of the Board of Directors.



Michael Winlo
Managing Director
Perth
28 February 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2023

		31 December 2023	31 December 2022
		\$	\$
Revenue			
Sales		1,089,604	732,148
Operating costs		(1,153,763)	(1,201,010)
Gross profit		(64,159)	(468,862)
Other Revenue			
Interest and other income		37,114	129,023
Net gain on derecognition of right-of-use assets		36,456	-
Total other revenue		73,570	129,023
Expenses			
Research and development expenses		(1,088,487)	(945,781)
Employee benefits and director fees		(1,156,521)	(948,796)
Corporate compliance costs		(551,307)	(384,029)
Other expenses		(391,412)	(759,869)
Finance costs		(166,643)	(75,411)
Share based payments	9	(199,323)	(299,335)
Depreciation and amortisation expense		(313,757)	(219,209)
Impairment of intangible assets	5	(6,935,740)	-
Total Expenses		(10,803,190)	(3,632,430)
(Loss) before income tax		(10,793,779)	(3,972,269)
Income tax expense		-	-
(Loss) for the period		(10,793,779)	(3,972,269)
Other comprehensive loss for the half year			
<i>Items that may be classified to profit or loss</i>			
Exchange differences on translation of foreign operations		-	-
Total Comprehensive (loss) for the period attributable to the members of Emyria Limited		(10,793,779)	(3,972,269)
(Loss) per share for the period attributable to the Members of Emyria Limited			
		Cents	Cents
Basic loss per share	16	(3.24)	(1.43)
Diluted loss per share	16	(3.24)	(1.43)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2023

		31 December 2023 \$	30 June 2023 \$
	Notes		
CURRENT ASSETS			
Cash and cash equivalents		1,966,141	2,733,526
Trade and other receivables		53,774	85,482
Other current assets		486,401	33,260
TOTAL CURRENT ASSETS		2,506,316	2,852,268
NON-CURRENT ASSETS			
Restricted cash		150,059	144,582
Right-of-use assets	3	1,035,620	371,905
Plant and equipment	4	278,684	124,060
Intangible assets	5	2,257,204	6,671,143
TOTAL NON-CURRENT ASSETS		3,721,567	7,311,690
TOTAL ASSETS		6,227,883	10,163,958
CURRENT LIABILITIES			
Trade and other payables		2,085,173	1,829,194
Provisions		156,690	189,021
Borrowings	6	1,942,277	912,721
Lease liabilities	7	273,617	218,284
TOTAL CURRENT LIABILITIES		4,457,757	3,149,220
NON-CURRENT LIABILITIES			
Make good provision		72,000	81,000
Lease liabilities	7	748,096	140,123
TOTAL NON-CURRENT LIABILITIES		820,096	221,123
TOTAL LIABILITIES		5,277,853	3,370,343
NET ASSETS		950,030	6,793,615
EQUITY			
Share capital	8	34,340,556	29,803,915
Reserves	9	2,821,394	2,407,841
Accumulated losses		(36,211,920)	(25,418,141)
TOTAL EQUITY		950,030	6,793,615

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

Attributable to equity holders of the Group	Notes	Contributed equity	Reserves	Accumulated losses	Total
Balance at 1 July 2023		29,803,915	2,407,841	(25,418,141)	6,793,615
(Loss) after income tax for the half year		-	-	(10,793,779)	(10,793,779)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the period				(10,793,779)	(10,793,779)
Proceeds from issued capital		3,178,231	-	-	3,178,231
Transaction costs from issued capital		(353,590)	214,230	-	(139,360)
Settlement of purchase of business		1,300,000	-	-	1,300,000
Settlement of consulting costs		375,000	-	-	375,000
Sign on fee		37,000	-	-	37,000
Issue of share-based payments	9	-	199,323	-	199,323
Balance at 31 December 2023		34,340,556	2,821,394	(36,211,920)	950,030

Attributable to equity holders of the Group		Contributed equity	Reserves	Accumulated losses	Total
Balance at 1 July 2022		24,637,314	1,971,567	(20,287,024)	6,321,857
(Loss) after income tax for the half year		-	-	(3,972,269)	(3,972,269)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		-	-	(3,972,269)	(3,972,269)
Proceeds from issued capital		2,851,027	-	-	2,851,027
Transaction costs from issued capital		(184,436)	14,436	-	(170,000)
Issue of share-based payments		-	298,308	-	298,308
Balance at 31 December 2022		27,303,905	2,284,311	(24,259,293)	5,328,923

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Notes	31 December 2023 \$	31 December 2022 \$
Cash flows from operating activities			
Receipts from customers		1,178,303	936,534
Cash paid to suppliers and employees		(5,649,991)	(4,102,783)
Interest received		11,990	6,736
Interest and other finance costs paid		(43,315)	(17,123)
Net cash (used in) operating activities		(4,503,013)	(3,176,636)
Cash flows from investing activities			
Payments for property, plant and equipment		(1,318)	(11,455)
Payments for intangible assets		(4,844)	(1,304,794)
Payments for purchase of business, net of cash acquired	13	(139,500)	-
Net cash (used in) investing activities		(145,662)	(1,316,249)
Cash flows from financing activities			
Proceeds from issue of shares and exercise of options	8	3,178,231	2,850,000
Transaction costs paid from the issue of shares		(139,360)	(170,000)
Proceeds from borrowings		1,016,697	800,000
Repayment of borrowings		(19,470)	-
Repayment of lease liabilities	3	(154,808)	(142,678)
Net cash provided by financing activities		3,881,290	3,337,322
Net (decrease) in cash and cash equivalents		(767,385)	(1,155,563)
Effects of exchange rate changes on cash and cash equivalents		-	(1,015)
Cash and cash equivalents at 1 July		2,733,526	3,879,469
Cash and cash equivalents at 31 December		1,966,141	2,722,891

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****Corporate Information**

Emyria Limited is a listed public Company limited by shares and incorporated in Australia. The nature of operations and principal activities of the Company and its controlled entities are described in the Directors' Report.

Statement of Compliance

The half-year financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year financial report does not include notes of the type normally included in an annual financial report and therefore cannot be expected to provide a full understanding of the financial performance, financial position, financing and investing activities of the Group as the full financial report. Accordingly, this half-year financial report is to be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made during the following half-year.

For the purposes of preparing the interim financial statements, the half year has been treated as a discrete reporting period.

The consolidated half-year financial report was approved by the Board of Directors on 27 February 2024.

Basis of preparation

The consolidated general-purpose financial statements have been prepared on the basis of historical cost modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's annual financial report for the financial year ended 30 June 2023.

Going concern

As of 31 December 2023, the Group had net working capital loss of \$1,951,441 (31 Dec 2022: surplus \$488,917) and cash balance of \$1,966,141 (31 Dec 2022: \$2,722,891). The company received the R&D Tax Incentive in January 2024 for \$2,527,316 in relation to the 2023 financial year (FY22: \$2,089,732).

The Group did not have any capital commitments of as of 31 December 2023 with the exception of the commitments outlined in note 14.

The Directors have prepared projected cash flow information for the twelve months from the date of approval of these financial statements and have considered severe but plausible downside forecast scenarios.

These forecasts indicate that, taking account of reasonably possible downsides, the Group is expected to continue to operate, with headroom and within available cash levels. Key to the forecasts are relevant assumptions regarding the business, business model, any legal or regulatory restrictions and shareholder support, in particular:

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**Going concern (continued)**

- Receipt of the R&D Tax Incentive in January 2024 for \$2,527,316
- Details of the results of the key scenario modelling on the entity's ability to meet its obligations over the forecast period.
- Mitigating actions undertaken or planned by directors and group to manage and respond to cash flow uncertainties or potential risks of shortfall in financing and the implementation status and uncertainties that arise from them.

The Directors are satisfied they will be able to raise additional funds as required and thus it is appropriate to prepare the consolidated financial statements on a going concern basis. The Directors are confident that the operations of the Group will continue to grow with the assistance of raising additional funds.

If necessary, the Group can delay research and development expenditures and Directors can also institute cost saving measures to further reduce corporate and administrative costs or explore other opportunities to sell data and/or its clinics.

The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that may be necessary should the Group not be able to continue as a going concern.

Impact of standards issued but not yet applied by the entity

There were no new standards issued since 30 June 2023 that have been applied by the Group. The 30 June 2023 annual report disclosed that the Group anticipated no material impacts (amounts recognised and/or disclosed) arising from initial application of those standards issued but not yet applied at that date, and this remains the assessment as at 31 December 2023.

Use of estimates and judgements

The preparation of the half year financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense.

The judgements, estimates and assumptions applied in the half year financial report, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2023.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. FINANCE COSTS

	31 December 2023	31 December 2022
Current	\$	\$
Interest and finance charges paid/payable on borrowings	123,252	58,288
Interest and finance charges paid/payable on ROU	43,391	17,123
	166,643	75,411

NOTE 3. RIGHT-OF-USE ("ROU") ASSETS

The Group's lease portfolio includes clinic leases which carries an average term of 3 years.

(a) Carrying value

	31 December 2023	30 June 2023
	\$	\$
Balance at beginning of period	966,483	966,483
Additions on purchase of business	963,965	-
Accumulated depreciation	(749,340)	(594,578)
Lease modification (WDV)	(145,488)	-
Balance at end of period	1,035,620	371,905

Reconciliation

	\$	\$
Net carrying amount as at beginning of period	371,905	737,419
Additions on purchase of business	963,965	-
Less: lease modified*	(145,488)	(151,051)
Depreciation expense during the half-year period	(154,762)	(214,462)
Net carrying amount end of period	1,035,620	371,905

	\$	\$
Carrying value of the ROU asset as at 31 December 2023	(145,487)	(151,052)
Less Lease liability (note 7)	142,943	46,589
Less Make good provision	39,000	26,000
Less: Settlement on termination	-	200,000
Other income – gain on modification of lease	36,456	121,537

(b) AASB 16 related amounts recognised in Consolidated Statement of Profit or Loss and Other Comprehensive Income

	31 December 2023	31 December 2022
	\$	\$
Interest expense for the half-year ended 31 December	(43,391)	(17,123)
Gain on modification of lease	36,456	121,537
Depreciation	(154,763)	(115,814)

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3. RIGHT-OF-USE ("ROU") ASSETS (continued)

(c) Total half-yearly cash outflows for leases

	31 December 2023	31 December 2022
	\$	\$
Repayment of lease liabilities	(154,808)	(142,678)

(d) Options to extend or terminate

The Group uses hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

NOTE 4. PROPERTY, PLANT AND EQUIPMENT

	31 December 2023	30 June 2023
	\$	\$
Leasehold Improvements		
At cost	663,800	412,173
Accumulated Depreciation	(418,433)	(325,586)
	245,367	86,587
Computer, office furniture and equipment		
At cost	141,790	132,354
Accumulated depreciation	(108,473)	(94,881)
	33,317	37,473
Total		
At cost	805,590	544,527
Accumulated depreciation	(526,906)	(420,467)
	278,684	124,060
Reconciliation		
<i>Leasehold Improvements</i>		
Carrying amount at beginning of the period	86,587	281,689
Additions on purchase of business	188,306	-
Leasehold improvements written off	-	(117,201)
Depreciation	(29,526)	(77,901)
Carrying amount at the end of the period	245,367	86,587
<i>Computer, office furniture and equipment</i>		
Carrying amount at beginning of the period	37,473	57,318
Additions on purchase of business	6,526	16,751
Plant and equipment written off	-	(8,866)
Depreciation	(10,682)	(27,730)
Carrying amount at the end of the period	33,317	37,473

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4. PROPERTY, PLANT AND EQUIPMENT (continued)

	31 December 2023 \$	30 June 2023 \$
<i>Total</i>		
Carrying amount at beginning of the period	124,060	339,007
Additions on purchase of business	193,514	16,751
Leasehold improvements and plant and equipment written off	-	(126,067)
Depreciation	(38,890)	(105,631)
Carrying amount at the end of the period	278,684	124,060

NOTE 5. INTANGIBLE ASSETS

	31 December 2023 \$	30 June 2023 \$
At Cost	9,541,889	6,901,301
Accumulated Depreciation	(348,945)	(230,158)
Impairment (Note i)	(6,935,740)	-
	2,257,204	6,671,143

	Software	Development	Patents and trademarks	Goodwill	Total
Balance at 1 July 2023	44,778	6,569,123	57,242	-	6,671,143
Additions through business combination (note 13)	-	-	-	1,561,471	1,561,471
Additions from internal development	-	1,079,117	-	-	1,079,117
Amortisation expense	(19,091)	(99,696)	-	-	(118,787)
Impairment (Note i)	-	(6,935,740)	-	-	(6,935,740)
Balance at 31 December 2023	25,687	612,804	57,242	1,561,471	2,257,204

Note i: The Company has elected to fully impair its EMD-RX5 program as future revenues are uncertain. The Company considers the RX5 program to be on hold at this current stage due to lack of resources.

	Software	Development	Patents and trademarks	Goodwill	Total
Balance at 1 July 2022	82,751	2,754,912	57,242	-	2,894,905
Additions from internal development	-	1,398,914	-	-	1,398,914
Amortisation expense	(19,143)	(21,267)	-	-	(40,410)
Balance at 31 December 2022	63,608	4,132,559	57,242	-	4,253,409

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6. BORROWINGS

	31 December 2023	30 June 2023
	\$	\$
Current portion	1,942,277	912,721
	1,942,277	912,721

The Radium Capital loan \$1,929,418 is secured against the R&D tax refund. The loan facility has been fully utilised and was repaid in January 2024. The Company, on combination of business, acquired a chattel mortgage in respect of fitout costs of the Pax Centre. The balance at 31 December 2023 was \$12,859.

NOTE 7. LEASE LIABILITIES

The carrying value and amortisation of the Group's lease liabilities are as follows:

	31 December 2023	30 June 2023
	\$	\$
Current portion	273,617	218,284
Non-current portion	748,096	140,123
	1,021,713	358,407

Reconciliation

	\$	\$
Balance at beginning of period	358,407	632,703
Less: principal repayments	(171,107)	(257,384)
Less: leases modified	(142,943)	(46,589)
Add: leases on combination of business	933,964	-
Add: unwinding interest expense on lease liability	43,392	29,677
Balance at end of period/year	1,021,713	358,407

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8. SHARE CAPITAL

	31 December 2023 No of Shares	31 December 2023 \$	30 June 2023 No of Shares	30 June 2023 \$
Ordinary shares fully paid	366,629,396	34,340,556	308,349,313	29,803,915
Ordinary shares fully paid				
Balance at beginning of period/year	308,349,313	29,803,915	275,002,469	24,637,314
Shares issued at \$0.18 per share	-	-	15,833,333	2,850,000
Shares issued on exercise of options	-	-	13,512	1,027
Shares issued at \$0.18 per share	-	-	833,333	150,000
Shares issued at \$0.15 per share	-	-	16,666,666	2,500,000
Shares issued at \$0.075 per share (note i)	26,666,667	2,000,000	-	-
Shares issued at \$0.127 per share (note 13)	10,236,220	1,300,000	-	-
Shares issued at \$0.075 per share (note ii)	5,000,000	375,000	-	-
Rights issue at \$0.075 per share	15,709,711	1,178,231	-	-
Shares issued to Director at \$0.074 per share	500,000	37,000	-	-
Exercise of options (note iii)	167,485	-	-	-
Capital transaction costs	-	(353,590)	-	(334,426)
Balance at period/year	366,629,396	34,340,556	308,349,313	29,803,915

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Note i: Placement shares at \$0.075 plus 1 attaching option for 2 new shares.

Note ii: 5,000,000 shares were issued in settlement of investors relations support over a 30 month period by StocksDigital.

Note iii: 500,000 options were exercised at \$0.114 of which 332,515 options expired and 167,485 were utilised as a cashless exercise and 167,485 shares were issued.

NOTE 9. RESERVES

	31 December 2023 \$	30 June 2023 \$
Share based payments reserve		
Balance at beginning of period / year	2,407,841	1,971,567
Share based payments	199,323	422,865
Cashless exercise adjustment	-	(1,027)
Share based payments: capital raising costs	214,230	14,436
Balance at end of period / year	2,821,394	2,407,841

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10. SHARE BASED PAYMENTS

The following share-based payments arrangements were issued during the reporting period:

Options

Options Series	Number	Grant Date	Expiry Date	Exercise Price \$	Fair value at Grant Date \$
(25) Issued on 10 Nov 2023	6,000,000	31/10/2023	10/11/2026	0.12	0.0357
(26) Issued on 10 Nov 2023	2,500,000	31/10/2023	10/11/2026	0.12	0.0357

(25) The 6,000,000 options in series 25 were issued to the lead manager for a capital raise during the period. Options vested immediately on issue.

(26) The 2,500,000 options in series 26 were issued to StocksDigital for investor relations services over a 30-month period. Options vested immediately on issue. The cost of the options is incorporated into the service fee and amortised over the service period.

The series 25 options granted during the half year ended 31 December 2023, were priced using a Black-Scholes option pricing model using the inputs below:

	Series 25
Grant date share price	\$0.07
Exercise price	\$0.12
Expected volatility	96%
Option life	3 years
Dividend yield	0%
Interest rate	4.4%

Performance Rights

Performance Rights Series	Number	Grant Date	Expiry Date	Exercise Price \$	Fair value at Grant Date \$
(1) Issued on 18 Aug 2023	2,000,000	18/08/2022	17/08/2027	0.00	0.093

(1) The 2,000,000 performance rights in series 1 where 500,000 vests immediately on date of issue, 750,000 vests after one year of service and 750,000 vests after two years of service from date of issue, were issued to a consultant under the option terms and conditions issued by the Company. The consultant, Dr Mohit Kaushal was appointed as a director on 21 August 2023.

The performance rights were valued with reference to the share price on grant date (\$0.093)

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10. SHARE BASED PAYMENTS (continued)

The total share-based payments expense for the half-year ended 31 December 2023 was:

	31 December 2023	31 December 2022
	\$	\$
Directors - options	57,368	172,079
Director – performance rights	85,197	-
Employees	56,758	126,076
Consultants and third parties	-	1,180
	199,323	299,335

NOTE 11. RELATED PARTY TRANSACTIONS

During the half year ended 31 December 2023, the following related party transactions with directors occurred:

	Issue Date	Number of Performance Rights	Number of shares	Consideration \$
Director				
Dr Mohit Kaushal	18/8/2023	2,000,000	-	nil
Greg Hutchinson	21/11/2023	-	500,000	nil
		2,000,000	500,000	nil

Other than as disclosed above and elsewhere in the financial report, there were no other related party transactions for the half year ended 31 December 2023.

NOTE 12. EVENTS OCCURRING AFTER THE REPORTING DATE

In January 2024, the Company received the Research & Development tax refund for \$2,527,316 and the loan to Radium Capital, which was secured against the refund, was repaid in full.

Apart for the above, there has been no matter or circumstance that has arisen since 31 December 2023 that has significantly affected, or may significantly affect:

- the Group's operations in future financial years;
- the result of those operations in future financial years; or
- the Group's state of affairs in future financial years.

NOTE 13. BUSINESS COMBINATION

On 1 July 2023, Emyria Ltd acquired 100% of the ordinary shares of Mind Body Consulting Pty Ltd trading as Pax Centre for the total consideration of \$1,700,563.

The Pax Centre is a multidisciplinary clinical service specialising in comprehensive psychological trauma care. In 2023, the Therapeutic Goods Administration rescheduled MDMA as a controlled medicine from 1 July 2023 which broadens the clinical treatment of mental health conditions such as post-traumatic stress disorder and treatment-resistant depression.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13. BUSINESS COMBINATION (continued)

The acquisition of the Pax Centre complements the Emerald Clinics which has treated thousands of patients with pharmaceutical-grade cannabinoids. The business intention is to generate stronger and broader clinical service revenue synergies while also establishing a global centre of excellence in the delivery and development of new and innovative therapies for complex mental health and neuropsychiatric conditions such as psychedelic-assisted therapy.

Details of the acquisition are as follows:

	Fair value
Cash and cash equivalents	261,063
Trade receivables	37,802
Leasehold fitout costs	188,306
Plant and equipment	5,208
Right-of-use cost	963,964
Office bond	5,475
Trade and other payables	(294,434)
Borrowings	(44,507)
Lease liability	(933,964)
Provisions	(49,821)
Net assets acquired	139,092
Goodwill	1,561,471
Acquisition-date fair value of the total consideration transferred	<u>1,700,563</u>

Representing:

Cash paid to vendor	400,563
Issue of 10,236,220 shares	1,300,000
	<u>1,700,563</u>

NOTE 14. COMMITMENTS AND CONTINGENCIES

At reporting date, there were no commitments or contingent liabilities outstanding for the Group or the Company.

NOTE 15. SEGMENT INFORMATION

AASB 8 'Operating Segments' requires a "management approach" under which segment information is presented on the same basis as that useful for internal reporting purposes by the chief operating decision maker ("CODM").

For management purposes, the Group is organised into one main operating segment, being the research and development where the Group is a health care technology and clinical research company focused on generating high quality real-world evidence (RWE) data. The chief operating decision makers of the Group are the Executive Directors and Officers.

All the Group's activities are interconnected, and all significant operating decisions are based on analysis of the Group as one segment. The financial results of the segment are the equivalent of the financial statements as a whole. At 31 December 2023, all revenues and material assets are considered to be derived and held in one geographical area being Australia.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16. LOSS PER SHARE

(a) Reconciliation of loss used in calculating Loss Per Share

Basic loss per share

Loss attributable to the ordinary equity holders used in calculating basic loss per share

(b) Weighted average number of shares used as the Denominator

Ordinary shares used as the denominator in calculating basic loss per share

(c) (Loss) per share

Basic (loss) per share

Diluted (loss) per share

31 December 2023 \$	31 December 2022 \$
(10,793,779)	(3,972,269)
Number	Number
332,817,689	278,360,210
31 December 2023 Cents	31 December 2022 Cents
(3.24)	(1.43)
(3.24)	(1.43)

There are no potential ordinary shares that are dilutive, therefore not included in the calculation of diluted loss per share.

NOTE 17. CONTROLLED ENTITIES

Name of entity	Country of incorporation	Class of Shares	2023	2022
Emyria Clinical Network Pty Ltd	Australia	Ordinary	100%	100%
Emyria Clinical Research Pty Ltd (note iv)	Australia	Ordinary	100%	100%
Emyria Data Management Pty Ltd (note iv)	Australia	Ordinary	100%	100%
Emyria IP Holdings Pty Ltd (note iv)	Australia	Ordinary	100%	100%
Mind Body Consulting Pty Ltd (note i)	Australia	Ordinary	100%	-
Openly Care Inc. (note ii)	United States	Ordinary	-	100%
Emyria UK Ltd (note iii)	United Kingdom	Ordinary	-	100%

Note i: Emyria acquired Mind Body Consulting effective 1 July 2023 (refer to Note 13).

Note ii: Openly Care was struck off on 30 May 2023.

Note iii: Emyria UK Ltd was struck off on 28 August 2023.

Note iv: These entities have been dormant during the financial period.

The Directors of the Company declare that:

1. The interim consolidated financial statements and condensed notes for the half-year ended 31 December 2023 as set out on pages 9 to 23 are in accordance with the Corporations Act 2001 and other professional reporting requirements including:
 - (a) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
 - (b) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (c) complying with International Financial Reporting Standards as disclosed in Note 1.
2. In the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.



Michael Winlo
Director
Perth
28 February 2024



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28 February 2024

Board of Directors
Emyria Limited
D2, 661 Newcastle St
Leederville WA 6007

Dear Sirs

RE: EMYRIA LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Emyria Limited.

As Audit Director for the review of the financial statements of Emyria Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Sam Tirodkar
Director



**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
EMYRIA LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Emyria Limited, which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that causes us to believe that the accompanying half-year financial report of Emyria Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Emyria Limited's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 28 February 2024.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements, which indicate that the Group incurred a net working capital loss of \$2,276,441. As at 31 December 2023, the Group had cash and cash equivalents of \$1,966,141. As stated in Note 1, the events or conditions, along with other matters, as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



Responsibility of the Directors for the Financial Report

The directors of Emyria Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Sam Tirodkar
Director

West Perth, Western Australia
28 February 2024